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Dated: July 7th, 2025




Whitman L. Holt
Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON
YAKIMA DIVISION

In re:

CITY OF CLE ELUM,
Debtor.

Case No. 25-01128-WLH9

Chapter 9

ORDER GRANTING DEBTOR'S
COMBINED MOTION TO EXPEDITE
HEARING AND FOR ENTRY OF AN
ORDER (1) APPROVING PROPOSED
FORM OF NOTICE OF THE
COMMENCEMENT OF THIS CASE;
(2) SETTING A DEADLINE FOR
OBJECTIONS TO THE PETITION;
(3) ESTABLISHING A CLAIMS BAR
DATE; (4) SETTING A DEADLINE
FOR FILING PLAN; AND
(5) GRANTING RELATED RELIEF

This matter came before the court upon the Motion¹ [Dkt. No. 11] filed by the
Debtor in the captioned case for the entry of an Order governing or establishing

¹ Capitalized terms used but not defined herein have the meanings ascribed to
them in the Motion.

ORDER DIRECTING AND APPROVING FORM OF NOTICE
OF CASE COMMENCEMENT AND SETTING
DEADLINES - 1

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STOEL RIVES LLP
ATTORNEYS

600 University Street, Suite 3600, Seattle, WA 98101
Telephone 206.624.0900

1 various deadlines and procedures in the Case, including, without limitation, (1)
2 Debtor's proposed form of notice of the commencement of this case; (2) setting a
3 deadline for objections to the petition; (3) establishing a claims bar date; **and** (4)
4 setting a deadline for the Debtor to file a plan, and (5) granting related relief, each
5 as set forth more fully in the Motion. The court, having reviewed the Motion and
6 determined that the City has established sufficient legal and factual bases for the
7 relief sought in the Motion, **HEREBY FINDS:**

8 A. Due and sufficient notice of the Motion in accordance with applicable
9 Bankruptcy Rules and Local Rules was given to parties in interest such that no
10 further notice is required.

11 B. The City has established cause pursuant to Local Rule 2002-1(c)(2) to
12 reduce the notice and objection period for the relief sought in the Motion.

13 C. The form of the *Notice of Commencement of Case Under Chapter 9*
14 attached hereto as **Exhibit A** (the "Notice of Commencement") complies with
15 applicable law and is reasonably calibrated to apprise interested parties of their rights
16 and responsibilities incident to this Case.

17 D. The procedures set forth in the Motion comply with applicable law and
18 are reasonably calibrated to facilitate the orderly administration of this debt-
19 adjustment proceeding while ensuring that interested parties are apprised of their
20 rights and responsibilities in connection with this Case.

21 E. Additional notice requirements beyond those imposed by this Order
22 would unduly burden the Debtor.

23 F. The procedures proposed by the Debtor provide interested parties at
24 least the minimum required in order for this Case to be permitted to affect their rights
25 and claims pursuant to the Due Process jurisprudence applicable to bankruptcy
26 proceedings.

1 **HAVING MADE THE FOREGOING FINDINGS OF FACT, IT IS HEREBY**
2 **ORDERED:**

3 1. The Motion [Dkt. No. 11] is GRANTED in its entirety.

4 2. All objections to the Motion are overruled on the merits to the extent
5 that they have not been withdrawn or otherwise resolved.

6 3. The Debtor is authorized immediately to undertake all actions
7 authorized, implicitly contemplated by the Motion, or otherwise necessary or
8 appropriate to effectuate this Order.

9 4. The Notice of Commencement is approved in all respects.

10 5. The Debtor will have fulfilled its noticing obligations arising under
11 Section 923 of the Bankruptcy Code to notify interested parties of the
12 commencement of this Case upon depositing (or upon causing its claims, notice, and
13 solicitation agent to deposit) into the U.S. Mail copies of the Notice of
14 Commencement in envelopes addressed to the Notice Parties with prepaid postage;
15 *provided, however*, that the failure to serve any Notice Party does not make the
16 notice ineffective as to any interested party who was served in accordance with this
17 Paragraph.

18 6. The Debtor will have fulfilled its publication obligations arising under
19 Section 923 of the Bankruptcy Code upon publishing (or upon causing its claims,
20 notice, and solicitation agent to publish) in each of the Local Papers an
21 announcement containing, at minimum, the following information: (i) the case
22 number assigned to this Case; (ii) the judge presiding in this Case; (iii) the webpage,
23 phone numbers, and email address of the City's claims, notice, and solicitation
24 agent; (iv) the fact that the City of Cle Elum is a municipality in the State of
25 Washington; (v) the fact that the City has filed a voluntary petition for relief under
26 Chapter 9 of the Bankruptcy Code; (vi) the fact that **the** City has sought to

establish

ORDER DIRECTING AND APPROVING FORM OF NOTICE
OF CASE COMMENCEMENT AND SETTING
DEADLINES - 3

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1 certain deadlines in the Case, including a deadline for creditors to file claims against
2 the Debtor; (vii) the fact that interested parties may freely obtain copies of all claims,
3 pleadings, and other papers from the City's claims, notice, and solicitation agent (a
4 "Qualifying Publication"); *provided, however*, that the Debtor's publication
5 obligations are not fulfilled unless and until three successive Qualifying Publications
6 are published in accordance with this Paragraph.

7 7. The Debtor is not obligated to publish separate notice of this Case for
8 the benefit of bond dealers and bondholders.

9 8. Any interested party may file an objection (each an "Eligibility
10 Objection" and, collectively, the "Eligibility Objections") pursuant to Section 921
11 of the Bankruptcy Code challenging the City's eligibility to be a debtor under
12 Chapter 9 of the Bankruptcy Code on or before **September 30, 2025** (the "Eligibility
13 Objection Deadline"). Each Eligibility Objection must (i) be in writing; (ii) served
14 so that it is actually received by the Notice Parties no later than the Eligibility
15 Objection Deadline; and (iii) state either (a) a reasoned and specific objection to
16 Debtor's eligibility to be a debtor under Chapter 9 of the Bankruptcy Code; or (b)
17 all facts and legal authorities which support the objector's contention that the City
18 did not commence its Case in a good faith effort to adjust its debts. Any Eligibility
19 Objection which fails to fully comply with the requirements of this Paragraph is
20 deemed waived and may be stricken from the court's docket without further hearing.

21 9. The *Voluntary Petition for Non-Individuals Filing for Bankruptcy* (the
22 "Petition") filed by the Debtor constitutes an order for relief entered as of the Petition
23 Date without further Order of the court in the event that no interested party interposes
24 an objection to the City's Petition in accordance with the preceding Paragraph;
25 *provided, however*, that neither the filing any Eligibility Objection nor anything
26 contained in this Order prevents the continuation of this Case or Debtor's free

1 exercise of its rights under the Bankruptcy Code, including those rights afforded the
2 Debtor by Section 904 of the Bankruptcy Code; *provided, further*, that the Petition
3 will constitute an order for relief entered as of the Petition Date in the event that the
4 last pending Eligibility Objection is withdrawn, overruled, stricken, or otherwise
5 denied by the court.

6 10. Any claimant who is not a governmental entity must file a proof of
7 claim, if any, for any claim it may possess against the Debtor by completing and
8 filing a *Proof of Claim* on the appropriate official form and in accordance with
9 applicable rules of procedure no later **October 31, 2025** (the “General Bar Date”).
10 If the holder of a claim is a governmental entity, such claimant has until **December**
11 **22, 2025**, to file its claim (the “Governmental Bar Date”). Claimants may submit
12 their claims either electronically or physically to the City’s claims, notice, and
13 solicitation agent who has been appointed to act in those capacities by separate
14 Order. Claimants may contact that agent either by calling its case information line
15 at 855.926.2377 (Toll-Free) and 949.506.5124 (International) or by email its
16 helpdesk at TeamCleElum@stretto.com. If any claimant fails to file its claim in
17 accordance with this Paragraph on or before the applicable Bar Date, then such claim
18 will be disallowed without further Order of this court unless such claimant (i)
19 promptly seeks leave to submit its untimely claim in accordance with applicable law;
20 and (ii) if the City has filed a Plan, promptly seeks an estimation of its claim in
21 accordance with applicable law; *provided, however*, that nothing in this Paragraph
22 permits untimely claimants to unreasonably disturb any plan confirmation process
23 which may be underway as of the time they seek allowance of such untimely claim.
24 A Proof of Claim which is submitted other than in accordance with the requirements
25 of this Paragraph will be deemed disallowed.

1 11. The City ~~will~~ **must** file a proposed debt-adjustment plan and its
2 disclosure statement pertaining to that plan on or before December 31, 2025
3 (the “Plan Deadline”); provided, however, that **any** interested parties’ right, ~~if~~
4 ~~any~~, to seek a reduction or enlargement of the Plan Deadline is not prejudiced.

5 12. Any person or entity that holds or asserts a Claim arising from the
6 rejection of an executory contract or unexpired lease must file a Proof of Claim based
7 on such rejection by the later of (i) the applicable Bar Date or (ii) the date which is
8 30 days following the effective date of such rejection (unless the Order authorizing
9 such rejection provides otherwise).

10 13. Nothing in this Order will be construed to (i) restrict or alter any
11 interested parties’ right to vote upon the confirmation of Debtor’s Plan; (ii) guaranty
12 or otherwise entitle any interested party to receive any payment or distribution of
13 property from the City or its successors or assigns for any reason whatsoever; or (iii)
14 affect any executory contract or unexpired lease of the City.

15 14. All time periods set forth in this Order are calculated in accordance with
16 Bankruptcy Rule 9006.

17 15. This court retains exclusive jurisdiction with respect to all matters
18 arising from or related to the implementation, interpretation, and enforcement of this
19 Order.

20 16. In the event of any inconsistency between the Motion and this Order,
21 this Order governs.

22 /// END OF ORDER ///

1 Presented by:

2 STOEL RIVES LLP

3
4 /s/ John S. Kaplan

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16 *Attorneys for Debtor*

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18 * Changes made by court
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1 UNITED STATES BANKRUPTCY COURT
2 EASTERN DISTRICT OF WASHINGTON
3 YAKIMA DIVISION

4 In re:

5 CITY OF CLE ELUM,
6
7 Debtor.

Case No. 25-01128-WLH9

Honorable Whitman L. Holt

NOTICE OF COMMENCEMENT OF
CASE UNDER CHAPTER 9

9 TO: ALL CREDITORS AND PARTIES IN INTEREST OF CITY OF
10 CLE ELUM, A MUNICIPALITY IN THE STATE OF WASHINGTON

11 **COMMENCEMENT OF CHAPTER 9 CASE.** On June 24, 2025 (the “Petition
12 Date”), the City of Cle Elum, a municipality in the State of Washington (the “City”
13 or the “Debtor”) and the debtor in the captioned case (the “Case”), filed its *Voluntary*
14 *Petition for Non-Individuals Filing for Bankruptcy* (the “Petition”) seeking relief
15 under Chapter 9 of Title 11 of the United States Code (the “Bankruptcy Code”) in
the United States Bankruptcy Court for the Eastern District of Washington at
Yakima. By Order of the Hon. Mary H. Murguia, Chief Judge of the United States
Court of Appeals for the Ninth Circuit, this Case has been assigned to the Honorable
Whitman L. Holt.

16 **DEBTOR’S CLAIMS, NOTICE, AND SOLICITATION AGENT.** Subject to
17 further Orders of the court, copies of all pleadings, claims, and other papers filed in
18 the Case are freely available from the City’s claims, notice, and solicitation agent,
19 Stretto, Inc. (“Stretto”), through its publicly accessible webpage located at
20 <https://cases.stretto.com/cleelum/>. Additional information about the bankruptcy
21 case may be obtained by calling Stretto’s case information line at 855.926.2377
22 (Toll-Free) and 949.506.5124 (International). You may also submit an inquiry via
23 email to TeamCleElum@stretto.com.

24 **AUTOMATIC STAY.** Pursuant to Sections 362 and 922 of the Bankruptcy Code,
25 the filing of this Case created an automatic stay of any and all actions or efforts to
26 enforce any claim against the Debtor or its property, including, without limitation,
any of the following acts: (a) the commencement or continuation of any action or
lawsuit against the Debtor, its officers, or the inhabitants of Cle Elum on account of
any claim against the Debtor; (b) the enforcement of any judgment against the City;
(c) obtaining property of the Debtor or exercising any control over Debtor’s
property; or (d) obtaining or enforcing any lien against Debtor or against any of
Debtor’s property.

27 **PURPOSE OF THE CHAPTER 9 FILING.** A filing under Chapter 9 of the
Bankruptcy Code allows the City to retain its property and to continue its operations

NOTICE OF COMMENCEMENT - 1

1 while the City works with its creditors to develop and file a *Plan of Adjustment* (the
2 "Plan"), which will be subject to voting by creditors and confirmation by the court
3 pursuant to applicable provisions of the Bankruptcy Code and the Bankruptcy Rules.
4 The confirmation process in bankruptcy proceedings is complicated. And the
5 jurisdiction of the court in a case under Chapter 9 of the Bankruptcy Code over the
6 debt-adjustment process is limited as set forth in Sections 901, 903, and 904, the
7 Tenth Amendment to the United States Constitution, and other applicable law. You
8 are advised to seek the advice of counsel concerning how the Case and the Plan may
9 impact your rights against the Debtor and to contact Stretto for more information
10 about the balloting process should you desire to cast a ballot on the Plan.

11 **DEADLINE FOR FILING AN OBJECTION TO THE ENTRY OF AN**
12 **ORDER FOR RELIEF.** Interested parties who believe that the commencement of
13 the Case was done improperly may object to the continuation of the Case pursuant
14 to Section 921(c) of the Bankruptcy Code. Such objections, if any, must be filed and
15 served so that they are actually received by all parties on the Master Service List
16 maintained by Stretto no later than **September 30, 2025** (the "Eligibility Objection
17 Deadline"). In addition to the foregoing notice requirements, any objection must
18 state either (a) a reasoned and specific objection to Debtor's eligibility to be a debtor
19 under Chapter 9 of the Bankruptcy Code; or (b) all facts and legal authorities which
20 support the objector's contention that the City did not commence its Case in a good
21 faith effort to adjust its debts. **If no objection is filed and properly served by the**
22 **Eligibility Objection Deadline, the Petition filed by Debtor will be deemed to be**
23 **entered on the Petition Date.**

24 **CLAIMS DEADLINE.** The court has imposed deadlines pursuant to
25 Rule 3003(c)(3) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy
26 Rules") for interested parties to file claims against the Debtor. Any claimant who
is not a governmental entity may file a claim against the Debtor by completing and
filing a Proof of Claim on the appropriate official form and in accordance with
applicable rules of procedure no later than **October 31, 2025** (the "General Bar Date").
If the holder of a claim is a governmental entity, such claimant shall have until
December 22, 2025, to file its claim (the "Governmental Bar Date"). **Failure to file**
a claim on or before the applicable Bar Date may result in the court's
disallowance of your claim. Claimants may contact Stretto for further
information about filing claims against a debtor in bankruptcy and to obtain a
copy of the applicable form.

27 **PLAN OF ADJUSTMENT.** Pursuant to Section 941 of the Bankruptcy Code, the
28 Court has set a deadline for the City to file its disclosure statement and Plan. Debtor
29 shall file its Plan and disclosure statement on or before **December 31, 2025**. This
30 deadline has been imposed without prejudice interested parties' right, if any, to seek
31 a reduction or enlargement of the Plan Deadline. Further information about the Plan,
32 the disclosure statement, and the voting and balloting process will be served and
33 made available to interested parties by Stretto as future filings are made and future
34 orders governing those processes are entered.

35 For further information on this Case or any of the preceding matters, please contact
36 Stretto or the undersigned, as applicable.

1 STOEL RIVES LLP

2 /s/ John S. Kaplan

3 John S. Kaplan, WSBA No. 23788

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